

Information Paper

DAJA-SC

27 October 2006

Subject: Combined Federal Campaign

I. **Introduction.** The annual Combined Federal Campaign (CFC) provides Department of the Army personnel with the opportunity to make financial contributions to a broad range of charitable organizations. CFC is an exception to the general prohibition against fundraising in the Federal workplace and, while official endorsement of CFC and the limited use of official resources to support CFC are authorized, there are certain rules that must be followed. Well meaning and motivated fundraisers will develop innovative fundraising techniques that present questions and challenges for CFC officials and their ethics counselors.

II. **Purpose.** To provide general information on fundraising for CFC and guidance on certain fundraising activities/events that may be inconsistent with the spirit, if not the letter, of the applicable regulations and policies governing CFC.

III. **Applicable References.** 5 C.F.R. Part 950, "Solicitation of Federal Civilian and Uniformed Service Personnel for Contributions to Private Voluntary Organizations," issued by the Office of Personnel Management (OPM), establishes the rules for operation of the CFC program. Helpful information about the CFC program can be found on-line at: <http://www.opm.gov/cfc/>. Implementation of CFC within the Department of Defense is governed by DoD Directive 5035.1 (5/7/99), "Combined Federal Campaign (CFC) Fund-Raising within the Department of Defense," and DoD Instruction 5035.5, (10/12/99) "DoD Combined Federal Campaign – Overseas."

IV. **General Guidance.** CFC is an authorized solicitation of employees in the Federal workplace. DoD 5500.7-R (Joint Ethics Regulation), section 3-210, authorizes DOD employees to officially endorse fundraising for CFC. The collection of gifts in-kind, such as food, clothing and toys, or the solicitation of employees outside of the Federal workplace, is not governed by the CFC regulations. Employee contributions to CFC must be voluntary. Fundraising techniques that do not allow free choice or create the appearance that employees do not have a free choice are contrary to CFC policy. Examples of prohibited coercive fundraising activities include: direct solicitation of employees by their supervisor or by anyone in their supervisory chain of command; supervisory inquiries about whether or not an employee chose to participate or the amount of the employee's contribution; setting

100% participation goals; establishing personal dollar goals or quotas; developing and using lists of non-contributors; providing and using contributor lists for purposes other than the routine collection and forwarding of contributions; and using as a factor in a supervisor's performance appraisal the results of the solicitation in the supervisor's unit or organization. 5 CFR 950.108.

V. Gambling. JER section 2-302 prohibits DOD employees from participating, while on Federally owned or leased property or while on duty for the Federal Government, in any gambling activity prohibited by 5 CFR 735.201. Gambling may also be prohibited by Federal Government building and grounds regulations such as 32 CFR 234.16 (Pentagon and Navy Annex) and 41 CFR 74.395 (GSA buildings). There are no exceptions to these gambling prohibitions for CFC fundraising activities. To be considered gambling, a game must generally have three elements: (1) the furnishing of consideration (betting something of value--usually money), (2) in a game of chance, (3) that offers a reward or prize. Events that do not include all three of these elements are not gambling. For example, a drawing using CFC pledge cards, when it is clear that the pledge cards may include no contribution, is not gambling because the participants in the drawing are not required to furnish consideration to enter the drawing. Ethics counselors should closely review such fundraising activities to ensure that they are structured so as to not be inconsistent with the gambling prohibitions.

VI. Participation of Outside Sources Including Contractor Personnel. CFC is an authorized solicitation of Federal personnel only. It does not authorize solicitations of outside sources, such as contractors or contractor personnel who may be working in the Federal workplace. Since CFC is an official program, we may not solicit from businesses or people who are not Federal personnel. (5 CFR 950.103(g)). Although they may not be solicited, contractor personnel, credit union employees and other persons employed on Federal premises, as well as retired Federal employees, may make voluntary single contributions to the CFC through cash, check, or money order. In addition, they may voluntarily participate in various fundraising efforts, such as purchasing raffle tickets, buying food at food sales, or purchasing services offered as part of a fundraiser. If non-Governmental business entities, such as vendors, local merchants or Government contractors seek to contribute, there are two avenues that may be available to them. First, they may contribute to the Principal Combined Fund Organization (PCFO), which is a private fundraising entity affiliated with the CFC. Since the PCFO is separate from the Government, transactions are outside of the CFC regulations. The PCFO is, however, a creation of the CFC, and agency ethics officials must ensure that contributors are not making contributions that affect or give the reasonable appearance of affecting any agency business relationship or procurement. Second, the CFC office receiving the offer may accept such contributions in accordance with 10 U.S.C. 2601, which allows the Secretaries of Defense and the Military Departments to accept gifts to the agency. CFC offices that receive such offers, including offers of prizes to be

used for door prizes, raffles, or other fundraising events, should consult with the cognizant legal counsel to ensure that any donations from outside entities comply with agency gift acceptance regulations.

VII. Solicitation of Prizes from Senior Officials. Fundraisers sometimes ask senior officials to volunteer their status, position, and time as prizes for auctions or other fundraising events. For example, prizes could include a round of golf with the agency head or donuts served to an office by the installation commander. While senior officials may offer such personal contributions, the prerequisite that all contributions to CFC be truly voluntary applies to them equally. Furthermore, in our structured, hierarchical environment, requests from a senior to a junior, particularly if they are in the same chain of command, inherently suggest coercion. In addition, fundraisers should ensure that such personal-service prizes are not inappropriate or potentially embarrassing. Finally, remember that some prizes, such as a commanding officer offering to provide a personal tour of an installation, also involve the use of Government resources, which invoke fiscal considerations.

VIII. Use of Government Resources to Support CFC. Since the CFC is an official program, limited use of resources, including appropriated funds, is authorized in its support. Appropriated funds may be used when the proper authority reasonably determines that the proposed expenditure is logically connected to the appropriation's purpose, and that no statute prohibits it. The use of appropriated funds is usually limited to expenses related to kick-offs, victory events, awards, and other events to build support for the CFC. The use of appropriated funds for refreshments, personal gifts, or any other item or activity that is not essential to support the CFC is not authorized. In making the determination, managers should be mindful of all the surrounding circumstances, including the amount of the proposed expenditure, the benefit expected to be gained, the importance to the mission served by the appropriation, prior Departmental practice, and possible public perceptions as to the appropriateness of the expenditure. For the DoD CFC overseas program, this authority extends to the use of installation-level CFC administrative and logistical support, and the use of military aircraft to transport CFC materials on a "space available" basis.

IX. Summary. Ethics officials should work closely with CFC coordinators from the start of the campaign to ensure fundraising events and strategies comply with the spirit and letter of applicable regulations. It is much easier to help design a successful event in the beginning, than to tell the CFC coordinator on the day of the event (after the tickets have been sold, prizes obtained, and hall rented) that the fundraiser may not be held.

DAJA-SC/703-588-6783